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Barriers and Incentives to Labour Force Participation, Australia

People not working, or working less than they prefer, including whether they want to work, are looking for work, and factors for them to start working

Reference period 2023-24 financial year

Released 6/11/2024

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Key statistics

In 2023-24:

- 1.2 million people (aged 18-75) without a (paid) job wanted a job, with 1.1 million available to start within 4 weeks.
- The most common reason women who wanted a job were unavailable to start within 4 weeks was 'Caring for children', while for men it was 'Long-term health condition or disability'.
- 2.1 million people without a job did not want a job, with a further 1.8 million either retired or permanently unable to work.
- The main reason for not wanting a job was 'No need, satisfied with current arrangements' (38%).

This release is a combined annual financial year and June quarter release. Quarterly data is published for the September, December and March quarters.

Barriers and Incentives to Labour Force Participation microdata (/statistics/microdata-tablebuilder/available-microdata-tablebuilder/barriers-and-incentives-labour-force-participation) for financial years 2014-15 to 2023-24 and September quarter 2014 to June quarter 2024 are available in ABS <u>DataLab</u> (/statistics/microdata-tablebuilder/datalab), released as a supplementary file for the <u>Longitudinal Labour Force</u> (/statistics/microdata-tablebuilder/available-microdata-tablebuilder/longitudinal-labour-force-australia) (LLFS) microdata. All existing users of the LLFS microdata will automatically get access to the additional file and new users can apply for access to both files.

Barriers and Incentives to Labour Force Participation 2023-24 data will be released into TableBuilder on 11 December 2024. The TableBuilder release will include data for all financial years back to 2014-15.

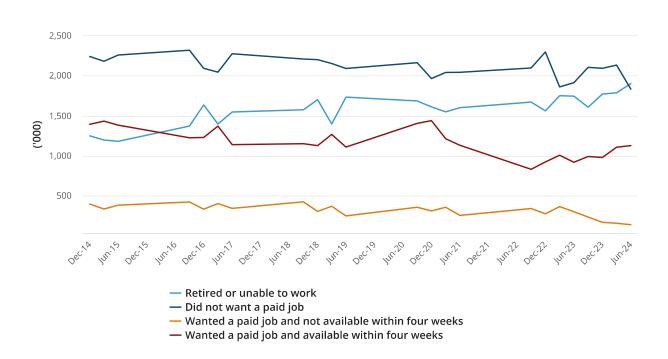
People who did not have a job

In 2023-24, there were 19 million people aged 18 to 75 years, with 13.7 million (73%) of these people employed (or had a job to start or return to). Of the people who did not have a job:

- 1.2 million people wanted a job with 1.1 million available to start within four weeks.
- 2.1 million people (who were not retired or unable to work) did not want a job.
- 1.8 million were retired or permanently unable to work.

Graph 1 shows a quarterly time series, up to the June quarter 2024, of people who did not have a job.

Graph 1 - People who did not have a job (aged 18-75)



unable to work:

- 1.9 million people had a long-term health condition, and of these, 752,800 (39%) wanted a job, up from 37% in March 2024.
- 1.2 million people had a disability, with 474,800 of these people wanting a job (41%).

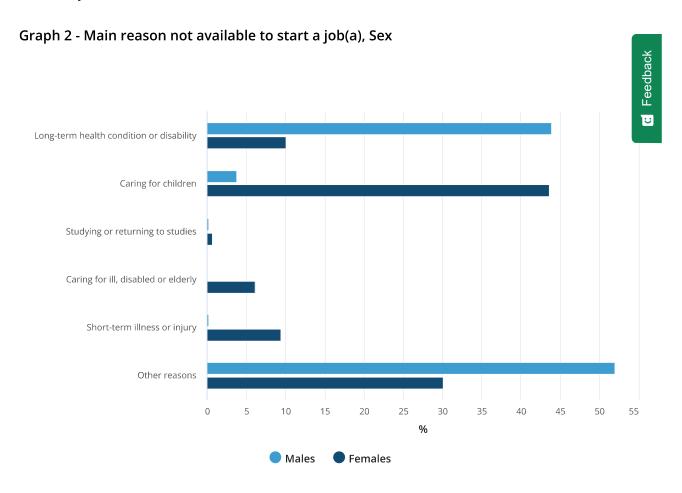
Note that people can report having both a long-term health condition and a disability.

People who wanted a job

In 2023-24, there were 1.2 million people who did not work but wanted a job. Determining whether these people were available to start work within four weeks is important because those who are available are more likely to move into employment than those who are not available.

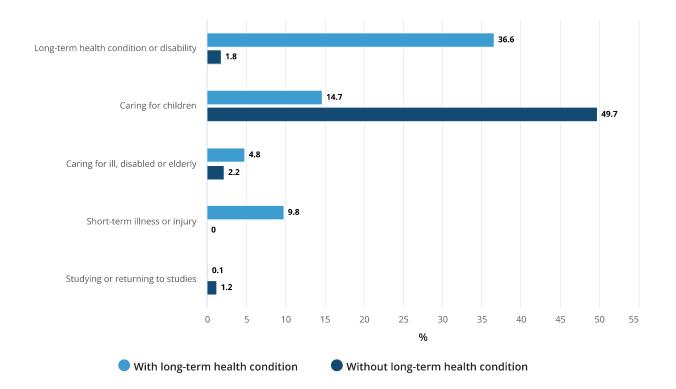
Of the 1.2 million people who wanted a job, 1.1 million (85%) were available within four weeks and 183,300 (15%) were not available within four weeks, down from 308,500 in 2022-23.

- The main reason women were unavailable to start work was still 'Caring for children' (44%), up from 31% in 2022-23. This was higher for mothers with children under 15 years (69%).
- The main reason men were unavailable to start work was 'Long-term health condition or disability' (44%).
- For those with a long-term health condition, 37% indicated their main reason was 'Long-term health condition or disability', down from 46% in 2022-23.



(a) Availability refers to the reference week (last week) or within four weeks.

Graph 3 - Main reason not available to start a job(a), Long-term health condition(b)

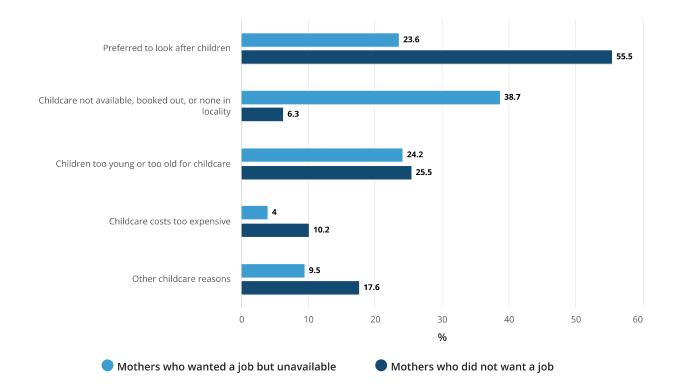


- (a) Availability refers to the reference week (last week) or within four weeks.
- (b) People with a long-term health condition are based on their responses to questions related to identifying a range of health condition This is asked separately from the main reason why they are not available to work or work more hours, and they are able to choose a main reason other than 'long-term health condition or disability'.

The main reasons provided by mothers who indicated childcare was the main reason they were unavailable included:

- Childcare not available, childcare booked out, or no childcare in locality (39%), up from 35% in 2022-23.
- Children too young or too old for childcare (24%), up from 16% in 2022-23, and
- Preferred to stay home and look after their children (24%), up from 21% in 2022-23.

Graph 4 - Main childcare reasons mothers(a) were unavailable to start a job(b)



- (a) Mothers refers to women with children aged under 15 years.
- (b) Availability refers to the reference week (last week) or within four weeks.

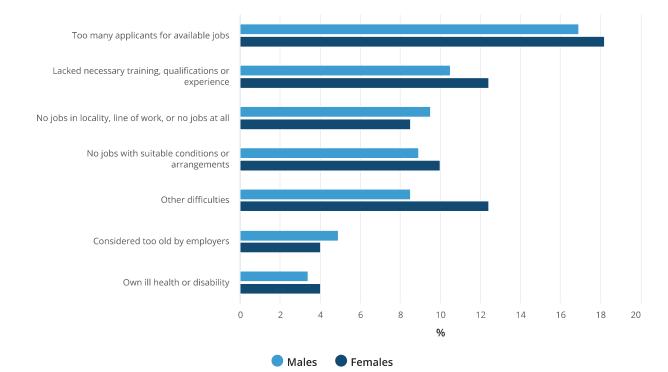
Difficulty finding a job

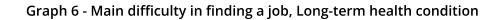
Of the 1.2 million people who wanted a job and were available to start, under half (41%) were looking for work (501,700).

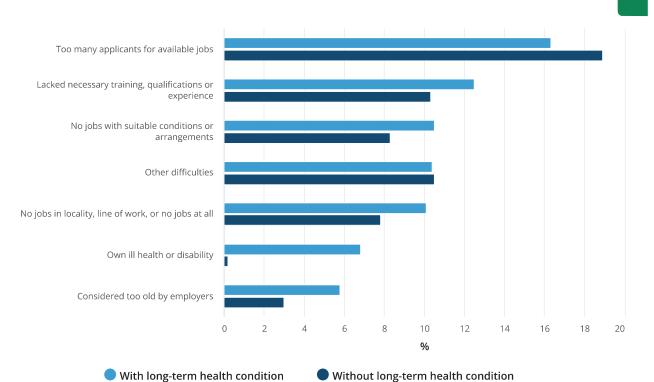
The main difficulties reported for finding work included:

- Too many applicants for available jobs 18%, up from 14% in 2022-23.
- Lacked necessary training, qualifications or experience 11%, down from 18% in 2022-23, and
- No jobs with suitable conditions or arrangements 9%, down from 14% in 2022-23.

Graph 5 - Main difficulty in finding a job, Sex







People available and looking

Of the 501,700 people who wanted a job, and who were available and looking:

- 442,900 (88%) were unemployed.
- 58,700 (12%) were not in the labour force (these people were not classified as unemployed because they were not available to start work in the reference week, but were available to start within 4 weeks or were only passively looking for work).

People available and not looking

There were 549,000 people who wanted a job, were available within four weeks but were not looking. 58% of these people were women and they commonly reported that 'Caring for Children' (13%) and 'Studying or returning to studies' (9.5%) were the main reasons for not looking for a job. The main reasons for men were 'No need to work' (16%) and 'Studying or returning to studies' (13%).

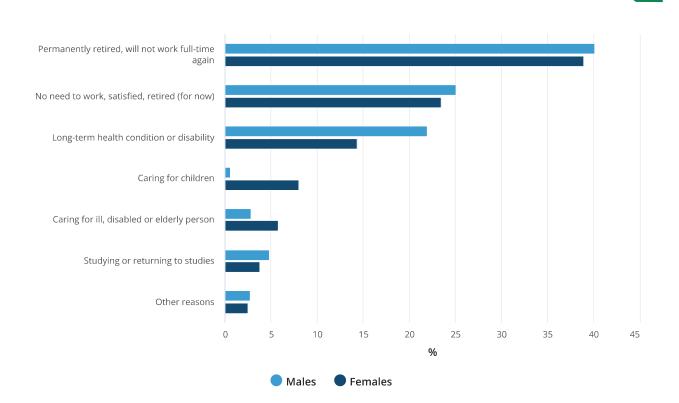
People who did not want to work

In 2023-24, around 5.4 million people aged 18 years and over who were not in the labour force reported that they did not want a job.

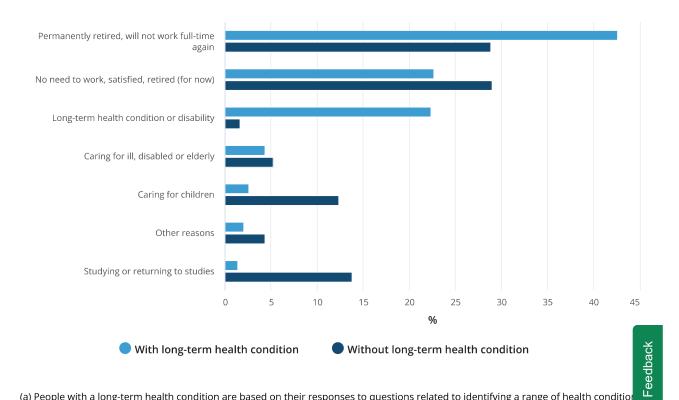
The main reasons people not in the labour force did not want a job included:

- Permanently retired, will not work full-time again (39%).
- No need to work, satisfied, retired (for now) (24%), and
- Long-term health condition or disability (18%).

Graph 7 - Main reason people not in the labour force did not want a job, Sex



Graph 8 - Main reason people not in the labour force did not want a job, Long-term health condition(a)



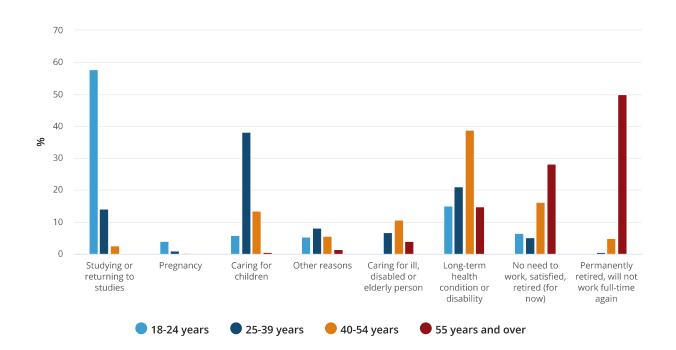
(a) People with a long-term health condition are based on their responses to questions related to identifying a range of health condition. This is asked separately from the main reason why they do not want to work or work more hours, and they are able to choose a main reason other than 'long-term health condition or disability'.

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The main reason people not in the labour force did not want a job varies at different stages of life:

- For people aged 18-24 years Studying or returning to studies (58%).
- For people aged 25-39 years Caring for children (38%).
- For people aged 40-54 years Long-term health condition or disability (39%).
- For people aged 55 years and over Permanently retired, will not work full-time again (50%).

Graph 9 - Main reason people not in the labour force did not want a job, Age

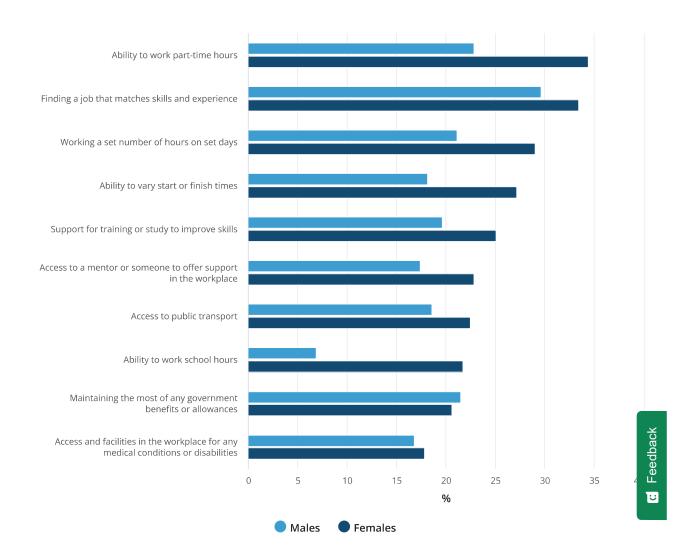


Incentives to work

Of the 3.3 million people who did not have a job in 2023-24, the most important factor associated with either returning to or commencing work was 'Finding a job that matches skills and experience', which was rated as 'Very important' by 32% of people.

- For women, the most important factor was 'Ability to work part-time hours' (34%), followed by 'Finding a job that matches skills and experience' (33%).
- For men, the most important factor was 'Finding a job that matches skills and experience' (30%), followed by 'Ability to work part-time hours' (23%).

Graph 10 - Incentives(a), Sex



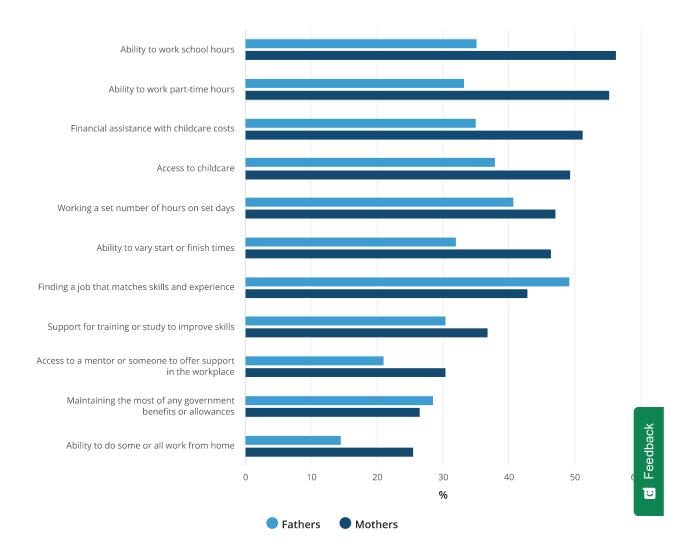
Parents with children under 15

There were 705,900 parents aged 18-75 years with children under 15 who were not working.

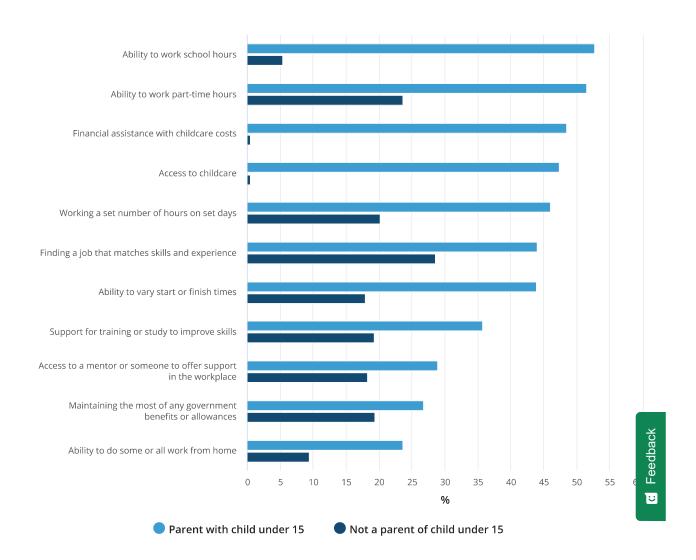
Of the 583,900 mothers, the most important factor associated with either returning to or commencing work was 'Ability to work school hours' (56%).

Of the 122,000 fathers, the most important factor associated with either returning to or commencing work was 'Finding a job that matches skills and experience' (49%).

Graph 11 - Incentives(a), Mothers and Fathers with children under 15



Graph 12 - Incentives(a), Parents with children under 15

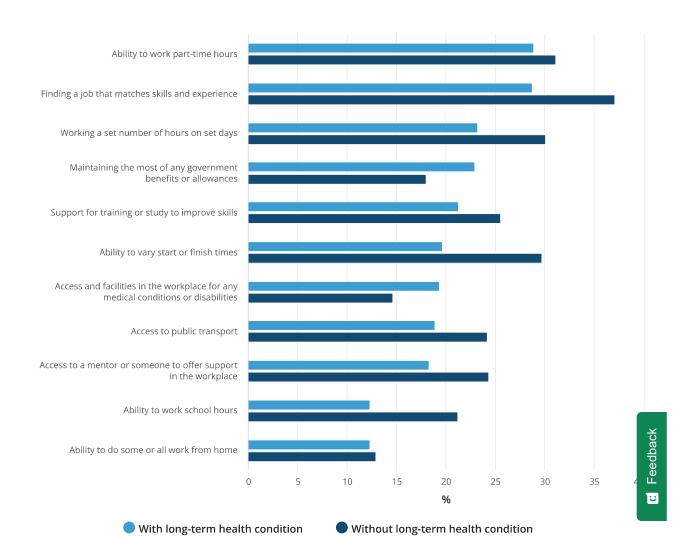


Long-term health conditions

There were 2.0 million people who were not working and had a long-term health condition.

The most important factors associated with either returning to or commencing work for people with a long-term health condition were the 'Ability to work part-time hours' and 'Finding a job that matches their skills and experience' (both rated 'Very important' by 29% of people).

Graph 13 - Incentives(a), Long-term health condition



Part-time workers

In 2023-24, of the 19 million people aged 18 to 75 years, 4.1 million usually worked part-time. Of these, 884,500 (22%) preferred to work more hours. There were 1.0 million part-time employed people who were working less than 16 hours a week, of whom 29% would prefer to work more hours.

Table 1 - People aged 18-75 years, Employed part-time by preference for more hours

	Usually works 0-15 hours	Usually works 16-34 hours
Would like to work more hours	301,800 (29%)	582,800 (19%)
Did not want more hours	739,300 (71%)	2,477,100 (81%)
Total	1,041,000	3,059,800

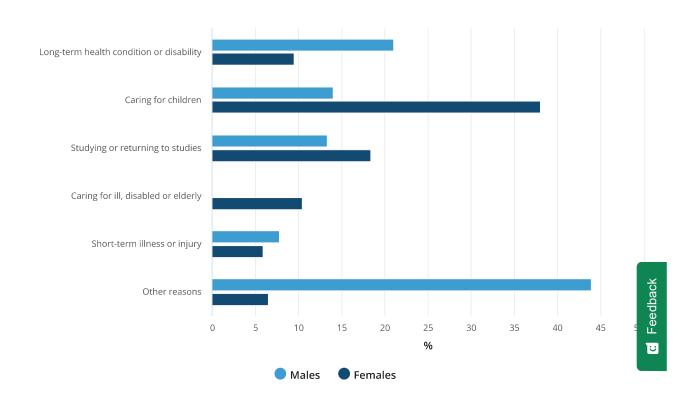
People who wanted more hours

There were 884,500 people who worked part time and wanted more hours, of whom 87% were available within four weeks.

Of the 112,100 people who weren't available within four weeks, the main reasons they weren't available were:

- Caring for children (32%).
- Studying or returning to studies (17%), and
- Long-term health condition or disability (12%).

Graph 14 - Main reason not available to work more hours(a), Sex



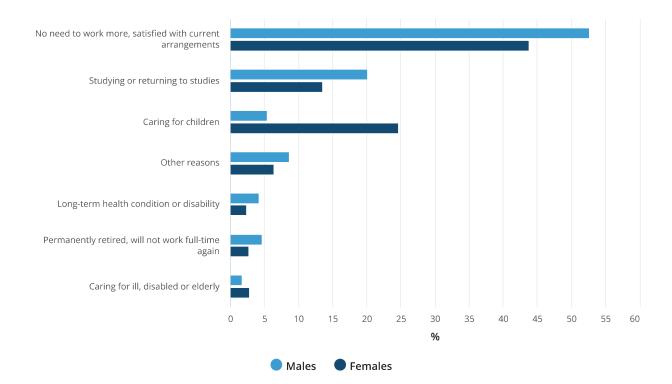
(a) Availability refers to the reference week (last week) or within four weeks.

People who did not want more hours

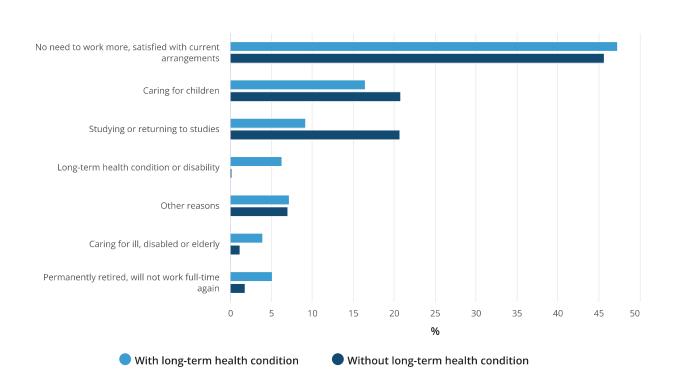
For people who usually worked part-time, the main reason for not wanting more hours included:

- No need to work more, satisfied with current arrangements (46%).
- Caring for children (19%), and
- Studying or returning to studies (15%).

Graph 15 - Main reason people working part-time did not want to work more hours, Sex



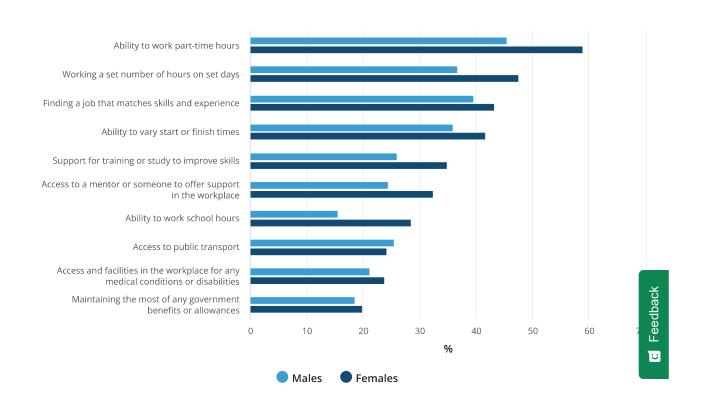
Graph 16 - Main reason people working part-time did not want to work more hours, Long-term health condition



Incentives to work more hours

The main factor that may influence part-time workers to work more hours was being able to increase their hours while continuing to work part-time, rated as 'Very important' by 55% of people. This was followed by 'Working a set number of hours on set days', at 44%.

Graph 17 - Incentives to work more hours, Sex



Data downloads

Annual (Financial year)

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Table 1. Participation status

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[<u>7.5 MB</u>]

Table 2. Whether wanted a job or more hours

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[<u>18.47 MB</u>]

Table 3. Occupation and Industry of current or last job

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[3.44 MB]

Table 4. Unavailable workers and job seekers

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Table 5. Reasons not looking for work or more hours **<u> → Download XLSX</u>** [4.76 MB] Table 6. Difficulties finding work or more hours **<u> → Download XLSX</u>** [2.43 MB] Table 7. Preferred hours of people not participating **▶ Download** XLSX [1.93 MB] Table 8. Preferred hours of part-time workers **<u> → Download XLSX</u>** [1.03 MB] Table 9. Reasons not wanting to work or work more hours **<u> → Download XLSX</u>** [16.89 MB] Table 10. Incentives to participate **<u> → Download XLSX</u>** [42.22 MB] Table 11. Whether would return to work and main reason **▶ Download** XLSX [34.1 MB] Table 12. Populations by State and territory Feedback **↓ Download** XLSX [<u>6.16 MB</u>] U Quarterly **业** Download all (35.05 MB) Table Q1. Participation status **<u> → Download XLSX</u>** [1.83 MB] Table Q2. Whether wanted a job or more hours **<u> → Download XLSX</u>** [712.07 KB] Table Q3. Unavailable workers and job seekers **↓ Download** XLSX [2.65 MB] Table Q4. Reasons not looking for work or more hours **▶** Download XLSX [<u>6.61 MB</u>] Table Q5. Difficulties finding work or more hours **<u> → Download XLSX</u>** [4.4 MB] Table Q6. Reasons for not wanting to work or more hours **<u> ▶ Download XLSX</u>** [<u>17.35 MB</u>]

Table Q7. Incentives to participate

Previous catalogue number

This release previously used catalogue number 6239.0.

Post release changes

07/11/2024

The percentages above Graph 4 have been amended to report the proportion of mothers who indicated childcare was the main reason they were unavailable, instead of the proportion of all mothers.

Methodology

<u>Barriers and Incentives to Labour Force Participation, Australia methodology, 2023-24 financial year</u>